

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 GARY PIERCE  
CHAIRMAN

3 BOB STUMP  
COMMISSIONER

4 SANDRA D. KENNEDY  
COMMISSIONER

5 PAUL NEWMAN  
COMMISSIONER

6 BRENDA BURNS  
COMMISSIONER

7  
8 IN THE MATTER OF THE APPLICATION OF  
9 ARIZONA PUBLIC SERVICE COMPANY  
FOR PROPOSED ELECTRIC VEHICLE  
10 READINESS DEMONSTRATION PROJECT

Docket No. E-01345A-10-0123

11 **RESIDENTIAL UTILITY CONSUMER OFFICE'S**  
12 **COMMENTS**

13 RUCO supports Staff's recommendation to approve two new EV rate schedules and to  
14 deny APS's request to collect \$5 million from ratepayers to incent the emerging Plug-In Electric  
15 Vehicle (PHEV) industry. The combination of a robust market, high consumer demand and  
16 federal-funded subsidies makes additional ratepayer subsidies unnecessary.

17 RUCO finds Staff's recommendations well said:

18 **"Staff believes that the role of EV market stimulation is being**  
19 **adequately addressed by federal funded incentive programs,**  
20 **therefore, Staff does not believe that utility ratepayer funded**  
21 **incentives are necessary or prudent at this time...Staff**  
22 **further believes that the introduction of EVs into APS's**  
23 **service territory represents a load and revenue growth**  
24 **opportunity for APS. If APS wants to stimulate the EV**  
**market, it could use non-ratepayer monies for incentives and**  
**all investments related to EV and EV infrastructure research**  
**and market development."**

(Staff Report, p. 13.)

1 RUCO agrees with Staff that APS benefits from the additional energy sales and federal  
2 grants are already available to defray the costs of PHEVs.

3 RUCO supports the vision of PHEVs and all of their possibilities. A more fully  
4 developed PHEV technology can meaningfully reduce America's dependency on foreign oil as  
5 well as reduce vehicle emissions. However, at this time, the PHEV technology is in its infancy.  
6 Yet, many consumers still choose to purchase PHEVs. A growing selection of PHEVs coupled  
7 with high consumer demand will drive prices down and bring quality up.

8 The responsibility of growing this segment of the auto industry should fall on the  
9 competitive marketplace and not on the shoulders of captive APS electric customers. RUCO  
10 does not support APS's proposal that over one million APS customers should pay \$5 million to  
11 help cover the costs of in-home, commercial and public use PHEV chargers. RUCO is  
12 cautious about a program that requires captive utility customers to aid the auto industry in the  
13 promotion of car sales and, ultimately, to allow APS to sell more electricity. RUCO further  
14 questions why the competitive auto industry is not the more obvious industry to invest in PHEV  
15 infrastructure in order to support the proliferation of their vehicles rather than the regulated  
16 monopoly of electric utilities.

17 The Commission, through a Mayes Amendment adopted in Open Meeting, directed  
18 APS to file a "Vehicle to Grid" (V2G) proposal. APS's Application is **NOT** a V2G proposal as  
19 envisioned by the Mayes Amendment and does not come at the Commission's direction. Staff  
20 finds that V2G is not commercially viable. RUCO agrees. Additionally, RUCO was informed  
21 by APS that allowing electricity to flow from the PHEV to the grid voids the warranty of the  
22 vehicle.

23 Setting aside any debate whether ratepayer-funded incentives for PHEVs and their  
24 infrastructure are good public policy, RUCO believes that additional ratepayer funded  
incentives for the promotion of PHEVs are not needed at this time. RUCO participates in an  
EV Stakeholder group. Another stakeholder from the auto industry reported that his dealership

1 has a **waiting list** for the 40 PHEV vehicles his dealership is scheduled to receive in 2012.  
2 And this waiting list is without any additional financial incentive provided by APS customers.

3 For these reasons, RUCO agrees with Staff that the Commission should only approve  
4 the two new experimental rate schedules and deny the proposed \$5 million budget request.

5 RESPECTFULLY SUBMITTED this 8<sup>th</sup> day of July, 2011.  
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Daniel W. Pozefsky  
9 Chief Counsel

10 AN ORIGINAL AND THIRTEEN COPIES  
11 of the foregoing filed this 8<sup>th</sup> day  
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